

# BEST NEWSLETTER

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BEST Line: 1-800-616-3775 (press 2, then 2 again) – Overseas: Toll-Free AT&T Direct Access Number then 800-616-3775

Hearing Impaired: TDD 1-800-382-0893 or (210) 565-2276

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BEST Homepage: [www.afpc.randolph.af.mil/dpc/best/menu.htm](http://www.afpc.randolph.af.mil/dpc/best/menu.htm)

EBIS: [www.afpc.randolph.af.mil/dpc/BEST\\_GRB/EBIS.htm](http://www.afpc.randolph.af.mil/dpc/BEST_GRB/EBIS.htm)

2005 Edition, Issue 3 – June 2005

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## **24 Months FEHB Coverage and Agency-Paid Premiums for Reservists Called to Active Duty in Support of a Contingency Operation**

On 12 Apr 05, the Office of the Under Secretary of Defense issued policy implementing the provisions of Public Law 108-375, 28 Oct 04, which amended the law to allow employees called to active duty in support of a contingency operation to continue coverage under the Federal Employees Health Benefits (FEHB) program for up to 24 months. It also amended the law to allow agencies to pay the employee share of the FEHB premium for up to 24 months.

In order to be eligible for continued FEHB coverage and agency-paid premiums for up to 24 months, an employee must meet all the following requirements:

- Must be enrolled in FEHB and elect to continue that enrollment
- Must be a member of a Reserve component of the armed forces
- Must be called or ordered to active duty (voluntarily or involuntarily) in support of a contingency operation as defined in 10 U.S.C. 101(a)(13)
- Must be placed on leave without pay (LWOP-US) or separated from employment (Separation-US) to perform active duty
- Must serve on active duty for a period of more than 30 consecutive days
- Must have been called to active duty on or after 14 Sep 01

The maximum period of eligibility is 24 months for each period of active duty. The 24 month period begins the date an employee enters into LWOP-US or Separation-US status to perform active duty. Under previous rules, the 18 month period began the date the employee entered on active duty.

Employees **not** eligible for agency payment of their FEHB premium while on active duty are those called to active duty under 10 U.S.C. but not in support of a contingency operation; and members of the Army or Air National Guard performing full-time national guard duty (FTNGD) under 32 U.S.C. or any provision of state, territorial, or District of Columbia code.

BEST has already applied the 24 months coverage and adjusted the beginning date for employees currently on active duty in support of a contingency whose FEHB coverage has not yet terminated.

Employees still on active duty whose FEHB coverage has already terminated after 18 months, as well as employees who have already returned to civilian service, may request that FEHB coverage and agency-paid premiums be extended from 18 to 24 months for each qualifying period of military service. Additional information and instructions for requesting the extension are available on the BEST web site at <http://www.afpc.randolph.af.mil/dpc/best/res-emp-info.htm>.

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## THRIFT SAVINGS PLAN

### Thrift Savings Plan (TSP) Open Seasons Eliminated 1 Jul 05

Public Law 108-469, signed into law 21 Dec 04, eliminates open seasons. The Federal Retirement Thrift Investment Board (FRTIB) is implementing this law effective 1 Jul 05. What does this mean for Federal employees? It means they will have more flexibility in managing their TSP contribution amounts. As of 1 Jul 05, eligible employees may start, change, stop, or resume contributions at any time. Elections will become effective at the beginning of the pay period following the one in which submitted. There is one exception: employees who make financial hardship in-service withdrawals may not contribute to their account for 6 months following the withdrawal.

The contribution limits for 2005 have not changed. Employees covered by the Civil Service Retirement System (CSRS) may contribute up to 10% of their basic pay each pay period, and those covered by the Federal Employees' Retirement System (FERS) may contribute up to 15%. Both groups are subject to the Internal Revenue Code annual maximum of \$14,000 for 2005.

The bottom line – in the past there were two open seasons each year and once an employee's TSP open season election was effective, no other changes, except to terminate contributions, could be made. Now, employees can make multiple TSP contribution elections in a pay period, with the last election made for that pay period taking effect the beginning of the next pay period. The election will be reflected on the Leave and Earnings Statement for that pay period, normally received 3 weeks after the effective date.

The law eliminating TSP open seasons does not eliminate the waiting period that newly hired FERS employees must serve before they can begin to receive agency contributions. Rehired FERS employees must also serve the waiting period if they were not previously eligible to receive agency contributions.

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### Thrift Savings Plan (TSP) Phone Numbers

Since 1 Jul 04, callers in the United States (includes the Virgin Islands, Puerto Rico, Guam, American Samoa) and Canada have been able to dial the following toll-free number to reach the ThriftLine or the TSP Service Office: (877) 968-3778.

Effective 31 May 05, the phone number for callers outside the United States and Canada has changed to (404) 233-4400 (not toll-free).

Hearing impaired callers in the U.S. and Canada may call the toll-free TDD number: 1-877-847-4385. Hearing impaired callers outside the U.S. and Canada will continue to call 1-504-255-5113 (not toll-free).

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### Correction - Address for Thrift Savings Plan (TSP) Loan Payments

The April 2005 edition of the BEST Newsletter advised of a new address for mailing extra payments on TSP loans.

In May 05, the Thrift Board again updated the address:

Thrift Savings Plan  
P. O. Box 979004  
St. Louis MO 63197-9000

Remember, you must submit a Loan Payment Coupon with each extra loan payment. Write your Social Security number and TSP loan number on your check. The updated Loan Payment Coupon is available on the TSP web site at [www.tsp.gov/forms/oc02-7.html](http://www.tsp.gov/forms/oc02-7.html).

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## FLEXIBLE SPENDING ACCOUNTS HEALTH AND LIFE INSURANCE

### Flexible Spending Account (FSA) Program Enhancements

The Office of Personnel Management (OPM) has extended the following enhancements to the Federal Flexible Spending Accounts program:

1. Grace period implemented for incurring eligible expenses. You now have until March 15 of the following year to incur expenses for the current Plan Year. This does not eliminate the use-it-or-lose-it rule completely, but does increase the chance to avoid forfeiting unused funds. If you have a balance remaining in your Health and/or Dependent Care FSA account as of 31 Dec 05, you can use those funds for eligible expenses incurred from 1 Jan through 15 Mar 06. This is effective immediately. If your 2005 balance is not sufficient to reimburse you in full for expenses incurred through 15 Mar 06, the unpaid balance will be paid out of your 2006 account if you re-enroll for the 2006 Plan Year during the Open Season (14 Nov-12 Dec 05). If you do not re-enroll, you cannot be reimbursed in full for those expenses.
2. Deadline extended for submitting eligible expenses. The deadline for submitting claims for eligible expenses has been pushed back to accommodate the grace period. You now have until 31 May 06 to submit claims for eligible expenses incurred during 2005 and on through 15 Mar 06.
3. The Health Care FSA maximum contribution for Plan Year 2006 will increase from \$4,000 to \$5,000.

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### Death of a Spouse or Eligible Family Member

Do you know what to do in the event of the death of your spouse or an eligible family member? You should notify the Benefits and Entitlements Service Team (BEST) of the death, either directly or via your supervisor/local Civilian Personnel Office.

**Federal Employees Health Benefits (FEHB).** The death of your spouse or other eligible family member is a qualifying life event that allows you to change your health benefits coverage. You may change to self only, change from one plan or option to another, or make any combination of these changes, within 60 days after the death of your spouse or eligible family member.

If for some reason you didn't notify us of the death and 60 days or more has gone by, you may, if there are no other family members eligible for FEHB coverage, submit a written request to change your health benefits coverage. You'll need to provide your spouse or family member's date of death and certify there are no other family members eligible for coverage. We can make a change to self only retroactive to the first day of the pay period after the pay period in which you have no remaining eligible family members. Payroll will adjust your health benefits withholdings and contributions.

**Federal Employees Group Life Insurance (FEGLI).** If you have Option C Family insurance, you'll need to file a claim for the life insurance. The benefits counselor will mail Form FE-6 DEP (Statement of Claim Option C Family Life Insurance) to you. The agency portion will already be completed and you will simply complete the employee portion, attach a certified death certificate and any other documentation required, and mail directly to the Office of Federal Employees' Group Life Insurance (OFEGLI), PO Box 2627, Jersey City NJ 07303-2627. Exception: If you receive [limited services](#) from BEST, your local Civilian Personnel Office will assist with your claim for Option C insurance.

If the death was of your last eligible family member, you will need to cancel your Option C coverage. The cancellation is effective the end of the pay period in which you no longer had any eligible family members.

We are here to help, so please call BEST if you have questions that need answers or issues you need resolved.

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## RETIREMENT

### For Full Service Employees Only

#### Military Deposit

Do you have post-56 military service that you'd like to combine with your Federal civilian service in order to increase your civilian retirement annuity? If the answer is yes, read on!

Military service for this purpose is honorable active service in the Army, Navy, Air Force, Marine Corps, and Coast Guard. Also included, after 30 Jun 60, is service in the Commissioned Corps of the Public Health Service, and after 30 Jun 61, service in the Commissioned Corps of the National Oceanic and Atmospheric Administration and its predecessor agency. Active duty in the various Reserve components of these branches, i.e., active duty for training or summer camps, may also be creditable. Service with the National Guard is creditable service when (a) the organization is activated in the U.S. Army or Air Force; or (b) an individual is ordered to service on active duty or active duty for training as a member of the Army National Guard of the United States (ARNGUS) or the Air National Guard of the United States (ANGUS), which are Reserve components of the Armed Forces of the United States; or (c) full-time National Guard service interrupts a period of Federal civilian service and the individual is reemployed after 31 Jul 90 upon exercising restoration rights. Service in one of the following academies may also be creditable military service: Midshipman at the U.S. Naval Academy; Cadet at the U.S. Military Academy; Cadet at the U.S. Air Force Academy; and Cadet at the U.S. Coast Guard Academy.

A period of military service may be creditable for civilian retirement purposes if all the following conditions are met:

- the military service is performed before the date of separation from civilian employment upon which title to retirement annuity is based;
- it was honorable, active duty;
- it was not included in the computation of military retired pay, or if it was included in military retired pay, the retired pay was awarded based on disability incurred in combat with an enemy of the U.S. or caused by an instrumentality of war and incurred in the line of duty during a period of war; or granted under the provisions of Title 10 U.S.C. Chapter 67 (Reserve retirement); and
- a deposit is made for military service (when applicable).

The following individuals must pay the military deposit in order to receive credit for retirement eligibility and annuity computation: employees covered by the Federal Employees' Retirement System (FERS), and employees first employed under the Civil Service Retirement System (CSRS) after 30 Sep 82.

If you were first employed under CSRS before 1 Oct 82, it is not necessary to pay the deposit in order to receive credit for eligibility and annuity computation. **However**, if you don't pay the deposit and you are eligible for Social Security at age 62, you'll be caught by what is commonly referred to as "Catch-62." This means that when you reach age 62, whether you apply for Social Security or not, credit for the military service is eliminated and the civilian annuity will be recomputed downward by subtracting the years of military service.

The military deposit generally equals 7% of military base pay for CSRS employees and 3% of base pay for FERS employees. If you do not complete your military deposit within 3 years of first becoming covered by CSRS or FERS, you will be charged interest. Where the military service interrupts a period of Federal civilian service and reemployment occurs on or after 1 Aug 90 under the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), the deposit is the lesser of the percentage of base pay or the amount of CSRS or FERS contributions that would have been paid had you worked instead of going on active duty. You will be charged interest if you do not complete your military deposit within 3 years of your return to duty/reemployment.

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## RETIREMENT

### Full Service Employees

#### Military Deposit

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If you are retired military, you may combine your military service with your Federal civilian service for one retirement if you pay the military deposit. However, you will be required to waive your military retired pay when you retire from civilian service.

The procedures for making the military deposit are as follows:

**Step 1.** Download Form RI 20-97, "Estimated Earnings During Military Service," from the Office of Personnel Management (OPM) web site at [www.opm.gov/forms/html/opm.asp](http://www.opm.gov/forms/html/opm.asp). Complete the form showing each period of military service. If you have service in more than one branch of the military, you will need to complete a separate form for each. (Exception: If your military service is USERRA service, be sure to exclude any periods during which you were on military leave, annual leave, comp time, or credit hours from your civilian position. In fact, be sure to write, somewhere on the form, all dates in a paid leave status and the type of leave used for each.) Be sure to enter your name and mailing address in item 19. Attach a copy of your DD 214 (Member 4 Copy), or certified military orders (AF Form 938 or equivalent) and mail to the appropriate military finance office. (Exception: if you are a Reservist whose active duty interrupted civilian service (USERRA), you may take the RI 20-97 to your Reserve unit to obtain the estimated military earnings.)

**Step 2.** Upon receipt of your estimated earnings from your military finance office, call BEST and request the military deposit application forms. However, if the military service falls under USERRA, you will instead fax a copy of the estimated earnings form or letter to BEST with a request for the military deposit application. The subject of your fax should be "Request for USERRA Military Deposit Computation and Paperwork." The BEST fax number is DSN 665-2936 or (210) 565-2936. You must include a copy of your DD 214 (Member 4 copy) or certified military orders.

**Step 3.** BEST will prepare SF 2803, "Application to Make Deposit or Redeposit – CSRS", or SF 3108, "Application to Make Service Payment – FERS," as well as OPM Form 1514, "Military Deposit Worksheet," and mail or fax to you. If the service falls under USERRA, BEST will also prepare and include the comparison deposit estimates.

**Step 4.** On receipt of SF 2803 or SF 3108 and OPM 1514 from BEST, check the SF 2803 or SF 3108 to make sure your personal information is correct, and sign and date the form. Mail all the following to your servicing Defense Finance Accounting Service (DFAS) payroll office (address will be provided with instructions):

- SF 2803 (CSRS) or SF 3108 (FERS)
- OPM 1514
- Deposit estimate, if military service is under USERRA
- Estimated earnings form or letter from your military finance center
- DD Form(s) 214, or certified military orders.

DFAS will contact you to arrange for payment once the deposit amount is computed. The deposit must be paid in full before you retire.

If you have questions on this procedure, please contact a BEST benefits counselor at 1-800-616-3775 (press 2 for Air Force serviced civilian, then 2 for BEST benefits and entitlements, and follow the prompts). When the benefits main menu is voiced, press 2 for retirement, then zero to transfer to a counselor. Overseas employees will first dial the AT&T Direct Access Number for the country they are calling from, then 800-616-3775. AT&T Direct Access Numbers are located on the web at [www.business.att.com/bt/dial\\_guide.jsp](http://www.business.att.com/bt/dial_guide.jsp).

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